

## CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1019

**Citations Affected:** IC 27-1-3-30; IC 27-8-24.1; IC 27-13-7-18.

**Synopsis:** Insurance coverage matters. Requires the commissioner of insurance to establish a voluntary task force to review mandated benefits and proposed mandated benefits and report to the legislative council. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary medical food prescribed for treatment of an inherited metabolic disease for a covered individual or an enrollee. **(This conference committee report: Replaces provisions requiring certain reporting by accident and sickness insurers and health maintenance organizations to the department of insurance and analyses by the department of insurance of mandated benefits and proposed mandated benefits with a provision requiring the commissioner of insurance to establish a voluntary task force to perform a review of mandated benefits and proposed mandated benefits and report to the legislative council. Requires a group accident and sickness insurance policy and a group health maintenance organization contract to provide coverage for medically necessary food rather than requiring an offer of coverage.)**

**Effective:** July 1, 2003; January 1, 2004.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1019 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 27-1-3-30 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 4 1, 2003]: Sec. 30. (a) As used in this section, "accident and sickness
- 5 insurance policy" has the meaning set forth in IC 27-8-14.2-1.
- 6 (b) As used in this section, "health maintenance organization"
- 7 has the meaning set forth in IC 27-13-1-19.
- 8 (c) As used in this section, "mandated benefit" means certain
- 9 health coverage or an offering of certain health coverage that is
- 10 required under:
- 11 (1) an accident and sickness insurance policy; or
- 12 (2) a contract with a health maintenance organization.
- 13 (d) As used in this section, "mandated benefit proposal" means
- 14 a bill or resolution pending before the general assembly that, if
- 15 enacted, would require certain health coverage or an offering of
- 16 certain health coverage under:
- 17 (1) an accident and sickness insurance policy; or
- 18 (2) a contract with a health maintenance organization.
- 19 (e) The commissioner shall establish a task force to review
- 20 mandated benefits and mandated benefit proposals.
- 21 (f) The task force must consist of nine (9) members appointed by
- 22 the governor as follows:

- (1) Two (2) members representing the insurance industry.
- (2) Two (2) members representing consumers.
- (3) Two (2) members representing health care providers.
- (4) Two (2) members representing the business sector.
- (5) The commissioner or the commissioner's designee.

A registered lobbyist may not serve as a member of the task force.

(g) Members of the task force shall serve on a voluntary basis without reimbursement.

(h) The department shall provide administrative support for the functions of the task force.

(i) The task force shall review mandated benefits and mandated benefit proposals as determined by the members of the task force and report to the legislative council not later than December 31 of each year.

(j) Any recommendations made by the task force must be approved by at least five (5) members of the task force.

(k) The department may adopt rules under IC 4-22-2 to implement this section.

(l) Information that identifies a person and that is obtained by the task force under this section is confidential.

SECTION 2. IC 27-8-24.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]:

#### **Chapter 24.1. Coverage for Treatment of Inherited Metabolic Disease**

**Sec. 1.** As used in this chapter, "accident and sickness insurance policy" has the meaning set forth in IC 27-8-5-27(a).

**Sec. 2.** As used in this chapter, "covered individual" means an individual who is entitled to coverage under an accident and sickness insurance policy.

**Sec. 3.** As used in this chapter, "inherited metabolic disease" means a disease:

- (1) caused by inborn errors of amino acid, organic acid, or urea cycle metabolism; and
- (2) treatable by the dietary restriction of one (1) or more amino acids.

**Sec. 4.** As used in this chapter, "medical food" means a formula that is:

- (1) intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and
- (2) formulated to be consumed or administered enterally under the direction of a physician.

**Sec. 5.** An accident and sickness insurance policy must provide coverage for medical food that is:

- (1) medically necessary; and
- (2) prescribed by a covered individual's treating physician for treatment of the covered individual's inherited metabolic disease.

**Sec. 6.** The coverage that must be provided under this chapter shall not be subject to dollar limits, coinsurance, or deductibles

that are less favorable to a covered individual than the dollar limits, coinsurance, or deductibles that apply to coverage for:

- (1) prescription drugs generally under the accident and sickness insurance policy, if prescription drugs are covered under the accident and sickness insurance policy; or
- (2) physical illness generally under the accident and sickness insurance policy, if prescription drugs are not covered under the accident and sickness insurance policy.

SECTION 3. IC 27-13-7-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 18. (a) As used in this section, "inherited metabolic disease" means a disease:**

- (1) caused by inborn errors of amino acid, organic acid, or urea cycle metabolism; and
- (2) treatable by the dietary restriction of one (1) or more amino acids.

**(b) As used in this section, "medical food" means a formula that is:**

- (1) intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and
- (2) formulated to be consumed or administered enterally under the direction of a physician.

**(c) A group health maintenance organization contract that provides coverage for basic health care services must provide coverage for medical food that is:**

- (1) medically necessary; and
- (2) prescribed for an enrollee by the enrollee's treating physician for treatment of the enrollee's inherited metabolic disease.

**(d) The coverage that must be provided under this section shall not be subject to dollar limits, copayments, or deductibles that are less favorable to an enrollee than the dollar limits, copayments, or deductibles that apply to coverage for:**

- (1) prescription drugs generally under the group contract, if prescription drugs are covered under the group contract; or
- (2) physical illness generally under the group contract, if prescription drugs are not covered under the group contract.

SECTION 4. [EFFECTIVE JULY 1, 2003] **(a) IC 27-8-24.1, as added by this act, applies to an accident and sickness insurance policy that is issued, delivered, amended, or renewed after December 31, 2003.**

**(b) IC 27-13-7-18, as added by this act, applies to a health maintenance organization contract that is entered into, delivered, amended, or renewed after December 31, 2003.**

(Reference is to EHB 1019 as reprinted April 9, 2003.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1019**

**S**igned by:

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Representative Frenz  
Chairperson

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Senator Miller

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Representative Ripley

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Senator Breaux

**House Conferees**

**Senate Conferees**